

## **MEDICAID WAIVER FUNDING**

### **What is a Waiver?**

- **Authorized in 1981 by Congress to waive certain Federal requirements in order to provide services to individuals that would have required institutional services.**
- **Allows delivery of services not found in traditional State Plan Medicaid**
- **Services tailored to recipients' or target groups' needs as long as they are necessary to avoid institutionalization and are cost effective**

### **TYPES OF WAIVERS**

#### **1) 1915(b) Waivers**

Allows states to waive statewideness, comparability of services

- 1915(b)(1) – mandates managed care
- 1915(b)(2) – utilize a central broker
- 1915(b)(3) – use cost savings to provide additional services
- 1915(b)(4) – limits number of providers for services

#### **2) 1915(c) Waiver (Choice Waivers)**

Allows waiver of statewideness, comparability of services, and income and resource limits usually applied to Medicaid recipients.

#### **3) 1115 Demonstration Waivers**

Allows for experimental, pilot and demonstration projects

#### **4) Other waivers**

- a) 1915 (a)- provides managed care, geographic limitations, and no limit on providers
- b) 1915 (i)- emphasis on person centered, self direction, and needs based criteria

## **CURRENT MONTANA DPHHS MEDICAID WAIVERS**

January 2009

### **1) Developmental Disability Program (1915(c))**

- a) **Comprehensive Waiver**- provides broad range of services including residential, vocational, and others to eligible developmentally disabled participants. Services are provided statewide for people of all ages.
- b) **Community Supports Waiver**- provides up to \$7,800 in supports to eligible developmentally disabled participants. Services are available statewide for individuals over the age of 18.
- c) **Autism Waiver**- provides up to 3 years of services to children from 18 months – 7 years of age who are diagnosed with an Autism Spectrum Disorder. Services are provided statewide.  
(Contact Perry Jones 444-5662)

### **2) Senior and Long Term Care (1915 (c))**

- a) **Big Sky Bonanza Waiver**- provides individuals with chronic disabilities of all ages with services to maintain independence. Services are provided statewide.
- b) **Elderly and Physically Disabled Waiver** - targets recipients who have a physical disability and those who are age 65 and older who meet level of care. Services are provided in homes and communities to avoid nursing facility or hospital care.  
(Contact Cecelia Cowie 444-4150)

### **3) Adult Mental Health (1915 (c))**

**Severe and Disabling Mental Illness (SDMI) Waiver**- Provides services to individuals over the age of 18 with a SDMI diagnosis. A comprehensive package of services including case management, vocational, residential and others are available in core service areas of Billings, Butte and Great Falls.

(Contact Marsha Armstrong 444-2878)

### **4) Children's Mental Health (1915 (c))**

**Alternatives for Medicaid to Psychiatric Residential Treatment Facility Waiver**- utilizes a wrap around service delivery model for Severely Emotionally Disturbed 6-16 year old Children to remain in their home.

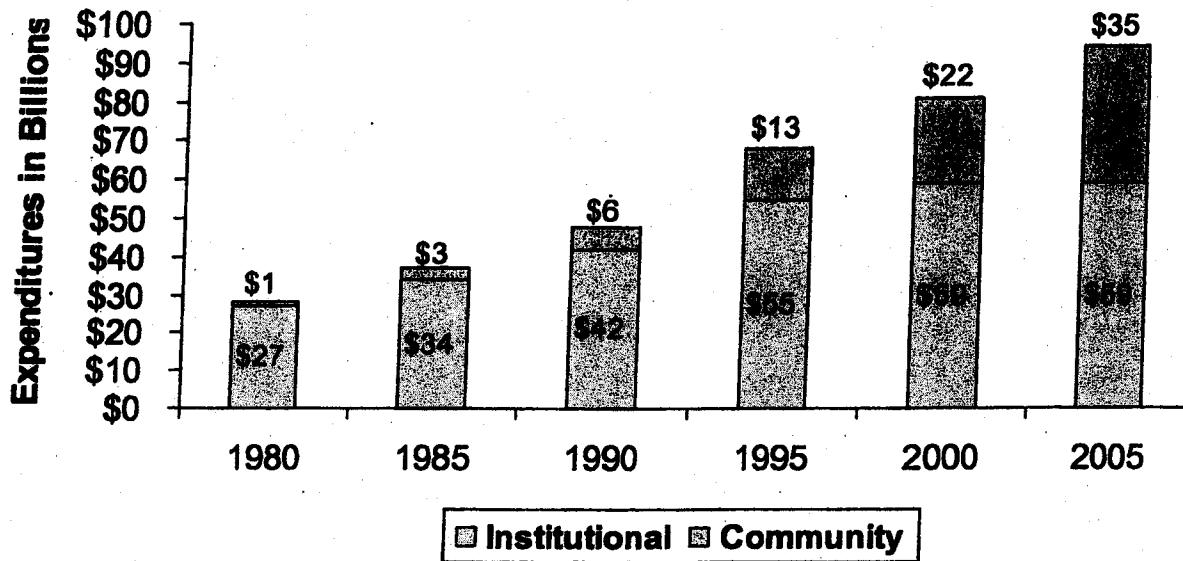
(Contact: Veronica Whitaker, HRD, 444-1460)

### **5) Office of Planning Coordination and Analysis (1115)**

#### **Basic Medicaid Waiver**

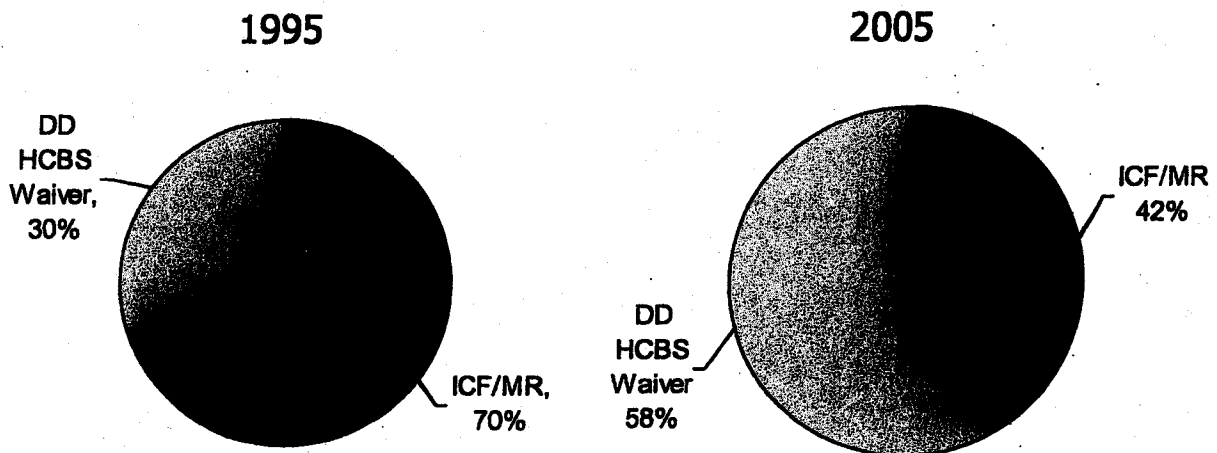
Since 1996 this waiver has offered a reduced Medicaid benefit to Able Bodied Adults. We are currently negotiating with CMS to expand the waiver by adding a physical health package for uninsured individuals on the Mental Health Services Plan Program at or below 150% FPL. (Expansion sometimes referred to as HIFA.)

**Medicaid Institutional and Community-Based Expenditures**  
**in 2005 Dollars: FFY 1980-2005**



Source: Thomson Healthcare via CMS Form 64 Reports, adjusted for price increases based on the Skilled Nursing Facility Input Price Index.

**Medicaid LTC Expenditures for HCBS DD Waiver and**  
**ICF/MR, in 1995 and 2005**



Source: Thomson Healthcare via CMS Form 64 Report

## **Universal Waiver Principles**

Across business lines – HCBS waivers, State plan options, managed care waivers, demo waivers, Money Follows the Person, and system transformation grants:

- Person-centered systems
  - Self-direction
  - Facilitating transitions/diversions from institutions
  - Measuring quality
  - Assuring true “home and community settings”
  - Efficiencies
    - Global approaches – e.g. quality improvement
- 
- › Waiver payment rates may incorporate “difficulty of care” factors to take into account level of provider effort associated with serving individuals with significant or greater needs.
  - › Rates may also include geographic adjustment factors.
  - › A State must have a uniform rate determination methods or standards that apply to each waiver service and ensure payments across all areas of the State are equivalent (differences in rates are included in a State’s rate methodology or formula).

## **ACRONYMS**

FMAP- Federal Medical Assistance Percentage

DD- Developmental Disability

SDMI- Severe and Disabling Mental Illness

CMS- Centers for Medicare and Medicaid Services

FPL- Federal Participation Level

HIFA- Health Insurance Flexibility and Accountability

HCBS- Home and Community Based Services

LTC- Long Term Care

ICF/MR- Intermediate Care Facility for Mentally Retarded

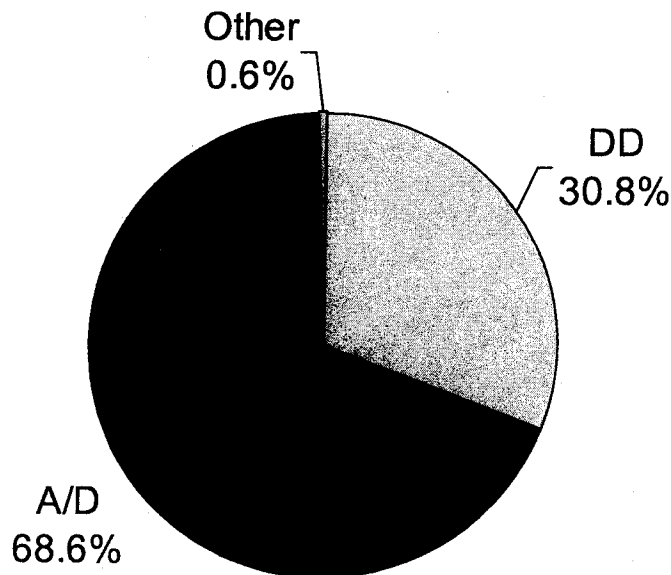
A/D- Aging and Disabled

PCP-Primary Care Provider

## Waiver Data Direction

- › As of 2003, the shift to serve people in the community has bypassed the numbers served in the institutions.
- › In 2005, people with DD served on the HCBS waivers was 4x greater than the number of people served in ICF/MR; average cost per person on waiver was \$38,679; whereas, average ICF/MR cost per person was \$119,162.
- › Individual states vary significantly in serving people w/ DD in state-operated institutions with 16 or more beds, as some serve twice the national average (MS, AR & NJ); whereas, 8 states (WV, VT, RI, NM, NH, ME, HI, AK) plus DC closed them all.
- › HCBS accounted for 37% of Medicaid LTC expenditures in 2005, compared to only 3% in 1980.

Medicaid Long Term Care Spending Distributed by  
Target Population, FFY 2005



Source: Thomson Healthcare via CMS Form 64 Reports

(Contact: Jo Thompson, OPCA, 444-2584)

**6) Health Resources Division (1915 (b) )**

**Medicaid Managed Care, PASSPORT To Health Waiver**

Eligible Medicaid enrollees choose a primary care provider (PCP) who manages their health care. Approximately 75% of Medicaid enrollees are enrolled in PASSPORT. PASSPORT provides a medical home and minimizes ineffective or inappropriate medical care. (Contact: Mary Noel 444-4146)

**7) Health Resources Division (1115)**

**\*\*Pending: Family Planning**

Currently Negotiating with CMS for waiver approval to offer family planning related services for women ages 14 through 44 living at or below 185% FPL.

(Contact: Mary Noel 444-4146)

**\*ALL WAIVER SERVICES ARE FUNDED AT CURRENT FMAP RATE**

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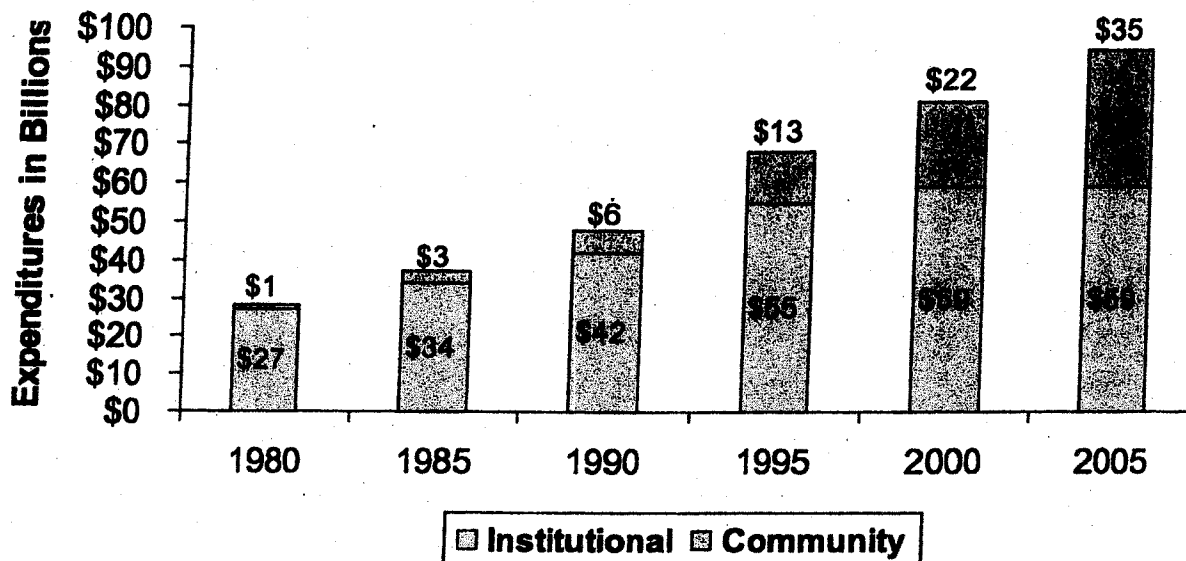
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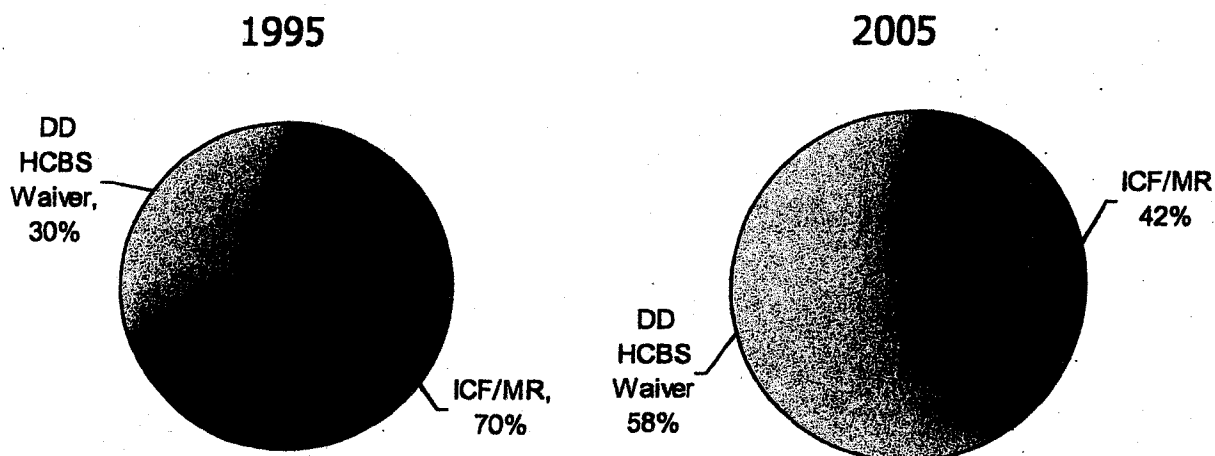
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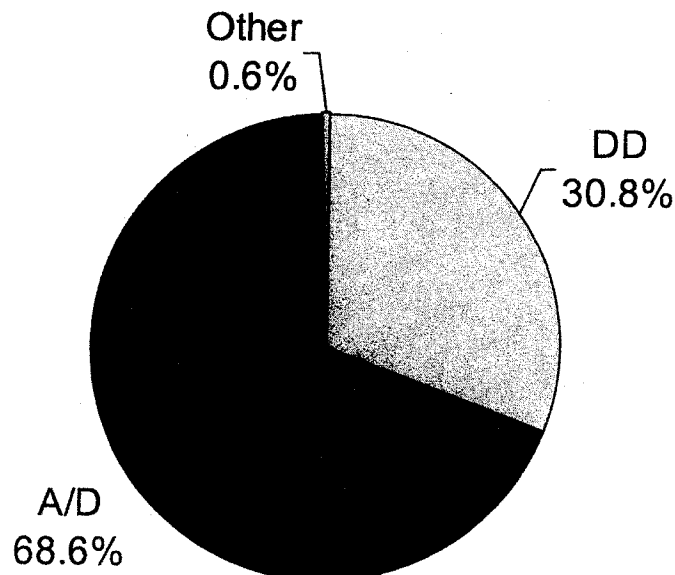
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